
Report to Audit Committee



Counter Fraud and Corruption Policies and Procedures

Portfolio Holder: Cllr Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance and Corporate Services

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Reason for Decision

This report sets out the updated Counter Fraud and Corruption Policies and associated planning documents following a review. These documents support the provision of an appropriate Counter Fraud service to minimise fraud risks and to investigate potential fraud and corruption.

Executive Summary

The Accounts and Audit Regulations 2015 state that the Council must have measures in place “to enable the prevention and detection of inaccuracies and fraud.” In this context, fraud also refers to cases of bribery and corruption.

The Council’s Financial Procedure Rules require the Head of Corporate Governance to be responsible for the provision of an appropriate Counter Fraud service to minimise fraud risks and to investigate potential fraud and corruption. The Counter Fraud Team at Oldham Council operates in accordance with practice recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Team also adheres to guidance issued by the Cabinet Office, relating to professional Counter Fraud standards across the public sector.

The Audit and Counter Fraud Team is responsible for investigating potential fraud, for identifying potential fraud risks, conducting proactive fraud reviews, and for delivering training and awareness to colleagues. In addition, the team maintains the relevant policies and procedures, which are reviewed and updated routinely.

Recommendations

Members note the contents of this report and approve the updated Policies and Planning documents.

Counter Fraud and Corruption Policies and Procedures

1 Background

- 1.1 The Accounts and Audit Regulations 2015 state that the Council must have measures in place “to enable the prevention and detection of inaccuracies and fraud.” In this context, fraud also refers to cases of bribery and corruption.
- 1.2 The Council’s Financial Procedure Rules *Section 6.8: Investigations and Suspected Fraud or Corruption*, require the Head of Corporate Governance to be responsible for the provision of an appropriate Counter Fraud service to minimise fraud risks and to investigate potential fraud and corruption. The Counter Fraud Team at Oldham Council operates in accordance with practices recommended by CIPFA and the team also adheres to guidance issued by the Cabinet Office, relating to professional Counter Fraud standards across the public sector.
- 1.3 The Audit and Counter Fraud Team is responsible for investigating potential fraud, for identifying potential fraud risks and conducting proactive fraud reviews, and for delivering training and awareness to colleagues. In addition, the team maintains the relevant policies and procedures, which are reviewed and updated routinely.
- 1.4 This report sets out the proposed revised policies and planning documentation. These updated documents have been based on a review which was carried out to minimise the risk of fraud, bribery and corruption occurring within and against the Council.

2. Current Position: Policies and Procedures

- 2.1 Effective policies and procedures are essential to ensure that all officers and members are aware of their roles and responsibilities in identifying and managing the risk of fraud. The Audit and Counter Fraud Team will continue to review and update these policies and procedures on an ongoing basis.
- 2.2 In August 2019, the following policy and planning documents were reviewed. These are attached to this report as the following Appendices, and discussed at the high level in the sections to follow:
 - **Policies:**
 - **Appendix 1:** Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan, which includes corporate sanctions, except for Council Tax Reduction sanctions, which are set out in Appendix 2.
 - **Appendix 2:** Local Council Tax Reduction Scheme Sanction Policy 2019.
 - **Appendix 3:** Anti-Money Laundering Policy 2019.
 - **Audit and Counter Fraud Planning to minimise Potential Fraud Risks:**
 - **Appendix 4:** CIPFA Fighting Fraud and Corruption Locally Checklist 2016 – 2019.
 - **Appendix 5:** Fraud and Loss Risk Assessment 2019.

Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan

- 2.3 In October 2014, CIPFA issued the “Code of Practice on Managing the Risk of Fraud and Corruption”. Whilst not mandatory, the Code represents best practice and compliance with the Principles set out in the Code to enable the Council to
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demonstrate effective financial stewardship of public monies. The updated Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan is attached as **Appendix 1**. The Strategy meets the requirements of CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption and consolidates all related policies and procedures in its Appendices. In reviewing this Strategy, limited changes were required.

- 2.4 As part of the training and awareness offer, Bribery and Corruption training is available to staff and Members online via the Council's MeLearning portal. This fraud e-learning module contains an overview of Bribery Act requirements.

Local Council Tax Reduction Scheme Sanction Policy 2019.

- 2.5 This Policy provides the framework for the investigation, sanctions and prosecution in relation to Council Tax and the local Council Tax Reduction Scheme, and Single Persons Discount scheme. The policy has been reviewed with Civil Penalties to reflect current legislation, which is set out in Regulations 11, 12 and 13 of the Council Tax Reduction schemes (Detection of Fraud and Enforcement) (England) 2013.

Anti-Money Laundering Policy

- 2.6 The Council's Anti-Money Laundering Policy has been reviewed and amended to reflect the guidance of The Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017. Although the Council is classed as an exempt body under the Regulations, it is considered good practice to carry out appropriate measures to minimise the risk that the Council or its employees may commit an offence under the relevant provisions of the Terrorism Act 2000 or the Proceeds of Crime Act 2002.

3. Planning to Minimise the Risk of Fraud

- 3.1 The Audit and Counter Fraud Team also has processes to review potential fraud risks in order to drive the use of resources in the team. The following appendices sets out the outcome of this review:

- **Appendix 4:** CIPFA Fighting Fraud and Corruption Locally Checklist 2016 – 2019. This is developed in conjunction with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption. The checklist contains a self-assessment, which indicates compliance with key requirements, and the action to review and update the Whistleblowing Policy. The review of this Policy is set out in Section 4 of this report.
- **Appendix 5:** 2019/20 Fraud and Loss Risk Assessment. The Audit and Counter Fraud annual planning processes include a specific fraud and loss risk assessment to ensure that all relevant risks are identified and to support the development of a programme of proactive anti-fraud work that minimises the risk of loss to the Council. The Fraud and Loss Risk Assessment attached as Appendix 5 forms part of the 2019/20 Audit and Counter Fraud Plan.

- 3.2 Risks are identified from a number of other sources, including:

- CIPFA's Annual Counter Fraud and Corruption Tracker Survey
 - Intelligence gained from networking with other authorities via the North West Fraud Group, the North West Counter Fraud Sub Group, which is led by Oldham Council, and the Lancashire and Greater Manchester Fraud Investigators' Group.
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- Outcomes from previous Internal Audit reviews and investigations.
 - Feedback from managers on areas where they have identified control weaknesses that may increase the risk of fraud.

3.3 The Council's Counter Fraud training and awareness offer is set out in Section 2.4 above, and this is supplemented with specific training sessions in key areas.

4. Whistleblowing Policy

4.1 A cross departmental team, including colleagues from Legal Services, People Services and the Audit and Counter Fraud Team have reviewed the Council's Whistleblowing Policy. At the time of writing this report (30 August 2019), it is planned to present the revised Draft Policy to Full Council later this year, for approval. Once this has been approved, it is proposed that it is presented to the Audit Committee on 14 November 2019.

4.2 This action is recorded in Appendix 4: CIPFA Fighting Fraud and Corruption Locally Checklist 2016 – 2019.

5. Options/Alternatives

5.1 The Audit Committee may approve or not approve the attached Policies and Planning documentation.

6. Preferred Option

6.1 The Audit Committee approves the attached Policies and Planning documentation.

7. Consultation

7.1 N/A.

8. Financial Implications

8.1 N/A.

9. Legal Services Comments

9.1 N/A.

10. Cooperative Agenda

10.1 N/A.

11. Human Resources Comments

11.1 N/A.

12. Risk Assessments

12.1 Risk assessments are considered as part of the Annual Audit and Counter Fraud Planning process and in advance of, and during, proactive reviews and investigations. (Jane Whyatt)

13. IT Implications

13.1 N/A.

14. Property Implications

14.1 N/A.

15. Procurement Implications

15.1 N/A.

16. Environmental and Health & Safety Implications

16.1 N/A.

17. Equality, community cohesion and crime implications

17.1 N/A.

18. Equality Impact Assessment Completed?

18.1 None.

19. Key Decision

19.1 N/A.

20. Forward Plan Reference

20.1 N/A.

21. Background Papers

21.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

File Ref:	Background papers are included as Appendices
Officer Name:	Jane Whyatt
Contact No:	0161 770 4773

22. Appendices

22.1 **Appendix 1:** Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan, which includes corporate sanctions, except for Council Tax Reduction sanctions, which are set out in Appendix 2.

Appendix 2: Local Council Tax Reduction Scheme Sanction Policy 2019.

Appendix 3: Anti-Money Laundering Policy 2019.

Appendix 4: CIPFA Fighting Fraud and Corruption Locally Checklist 2016 – 2019.

Appendix 5: 2019-2020 Fraud and Loss Risk Assessment.

Appendix 1

Audit and Counter Fraud Team

Counter Fraud, Anti-Bribery Strategy and
Counter Fraud Response Plan

August 2019

Version Control

Version	Version Date	Revised by	Description
1	July 2006	Janette Parkin	New Policy
2	July 2012	Andrew Bloor	Revised – Bribery Act 2010
3	July 2015	Andrew Bloor	Revised – Sanctions Policy and Counter Fraud Response Plan
4	August 2019	Andrew Bloor	Revised – Suitability of Offenders

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Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan

1. Introduction

- 1.1 The CIPFA publication, "Fighting Fraud and Corruption Locally 2016-2019", outlines that fraud costs local government in excess of £2.2 billion per annum. In times of austerity, preventing and detecting fraud is essential in ensuring that the Council protects the public purse, and that the funds allocated to provide the services to the communities within Oldham are used for their intended purpose.

2. Fraud

- 2.1 Fraud can be broadly described as acting dishonestly with the intention of making a gain for themselves or another, or inflicting a loss (or a risk of loss) on another; including:

- Dishonestly making a false representation
- Dishonestly failing to disclose to another person, information which they are under a legal duty to disclose
- Committing fraud by abuse of position, including any offence as defined in the Fraud Act 2006.

Appendix A includes a summary of the Fraud Act 2006.

3. Bribery

- 3.1 The Bribery Act 2010 defines bribery as "the inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages whether monetary or otherwise".
- 3.2 Corruption is the abuse of entrusted power for private gain. It affects everyone who depends on the integrity of people in a position of authority. The Bribery Act 2010 repealed all Corruption Acts in whole and there is now no offence of corruption; therefore, whilst corruption exists as a term, it no longer exists as an offence.
- 3.3 Section 7 of the 2010 Act created the new offence of failure by an organisation to prevent a bribe being paid for or on its behalf. It is possible to provide a defence by implementing adequate procedures to prevent bribery occurring within the organisation as outlined by the Ministry of Justice. If these cannot be demonstrated and an offence of bribery is committed within the organisation, senior officers of the Council can be held accountable.

Appendix B is an extract from the Councils Code of Conduct.

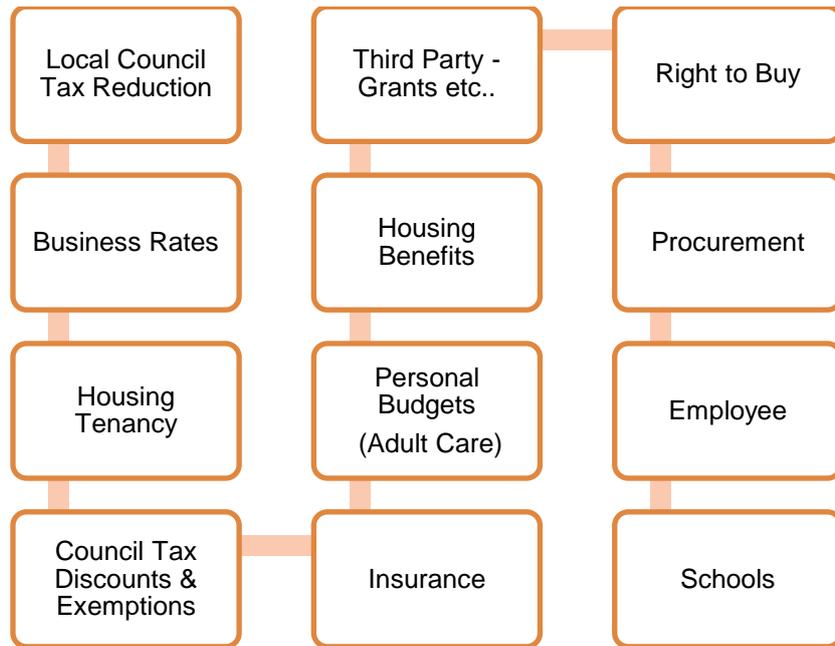
4. Aims

- 4.1 The Council has a duty to reduce fraud and bribery to an absolute minimum in order to protect its customers, whilst establishing controls that allow customers to adopt lifestyle choices for their own benefit and of their own choosing. This Strategy sets out the Council's commitment to preventing, detecting and deterring fraud, corruption, bribery or other irregularity and takes into consideration the Council's key principles and outcomes.
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- 4.2 By adopting the Strategy, the Council has acknowledged the fraud risk. The Strategy aims to improve the integration of fraud awareness, prevention and detection into the culture and working practices of the Council, its partnerships and contracts.
- 4.3 The Strategy requires that adequate and effective measures are put in place to correct any identified fraud or irregularity, with all perpetrators being pursued and punished.
- 4.4 The Strategy outlines the Council's stance in implementing a zero-tolerance approach towards fraud and irregularity and doing more to deter it.

5. Approach

- 5.1 The Council takes the threat of fraud and bribery seriously, in that it has the necessary dedicated and specialist resource, comprising of the Internal Audit and Counter Fraud Team. The team is focussed on coordinating the approach that Oldham Council takes in protecting its assets and finances from fraud and bribery.
- 5.2 Fraud, by its very nature is hidden, and conducted in such a manner that fraudulent actions are actively concealed. It is therefore vital to provide a strong anti-fraud culture and advocate a zero-tolerance approach. If done effectively this will not only provide a deterrence effect to potential fraudsters, but also encourage an environment where individuals feel comfortable coming forward to raise concerns.
- 5.3 In compiling the strategy, the Council's objectives have been considered and guidance and best practice of combatting fraud within local government has been incorporated, devised from a number of different sources, as follows:
- CIPFA: The Local Government Counter Fraud and Corruption Strategy 2016-19
 - CIPFA Code of Practice on Managing the Risk of Fraud and Corruption
- 5.4 The diagram below describes the nationally identified fraud risks and the three key elements approach recommended by CIPFA across local government.
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Local Government will be better able to protect itself from fraud and corruption and will provide a more effective fraud response



6. Staff and Stakeholders

- 6.1 The Councils staff are the first line of defence against most acts of attempts of fraud, corruption or bribery. The Council expects and encourages them to be alert to the possibility of acts of fraud, corruption or bribery and to raise any such concerns at the earliest opportunity.
- 6.2 Staff have a duty to protect the assets of the Council, including information, as well as property. When an employee suspects that there has been fraud or corruption, they must report the matter to the Audit and Counter Fraud Team.

7. Reporting Lines - Reporting a Fraud

- 7.1 There are a number of ways that individuals may raise a concern or report suspected fraud or bribery. Employees are urged to consider the nature of the concern, whether it involves immediate management and the seriousness and sensitivity of the issues involved.
- 7.2 The Council also has a dedicated confidential fraud hotline (0161 770 4969) which is managed by Counter Fraud Officers within the Audit and Counter Fraud Team and staffed during normal office hours (an answering service operates at all other times).

There is also an email address:

investigations@oldham.gov.uk

8. Whistleblowing

- 8.1 The Council's Whistleblowing Policy encourages employees (and those of contractor and partner organisations) to report concerns that are in the public interest. The Policy outlines the process for raising concerns and the types of conduct that should be reported. For example:
- criminal offences;
 - failure to comply with legal obligations;
 - actions which endanger the health or safety of any individual;
 - actions which cause damage to the environment;
 - actions which are intended to conceal any of the above.
- 8.2 Where allegations are found to be malicious, they will also be considered for further investigation and subject to appropriate disciplinary action. All referrals are treated in the strictest confidence and callers who wish to may remain anonymous.
- 8.3 Access to the Whistleblowing Policy can be found at [Whistleblowing Policy](#)
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Summary of the Fraud Act 2006

Key areas of the Fraud Act 2006

There are a number of other areas that are not included within this summary. This summary focuses on those issues that are more likely to affect counter fraud investigations in the public sector.

Section 1 – Fraud

A person is guilty of fraud if he/she is in breach of any of the Sections listed in subsection (2) (which provide for different ways of committing the offence).

The Sections are:

- Section 2 - Fraud by False Representation.
- Section 3 - Fraud by failing to disclose information.
- Section 4 - Fraud by abuse of position.
- Section 7 – Making or supplying articles for use in fraud.

Maximum penalty is imprisonment for a term up to 10 years (note: this was previously 7 years).

Section 2 - Fraud by False Representation

A person is in breach of this Section if he/she:

- Dishonestly makes a false representation; and
- Intends, by making the representation to make a gain for himself or another, or to cause loss to another or to expose another to a risk of loss.

Explanatory notes

- Note a gain need not have taken place, intent suffices
- ‘Gain’ includes keeping what one has, as well as a gain by getting what one does not have
- ‘Loss’ means not getting what one might get, as well as losing something that one has
- Importantly the loss can be permanent or temporary (previously the onus was on intention to permanently deprive)
- ‘Dishonest’ is defined in case law (R v Gosh 1982) and is based upon the two-tier test of whether his behaviour was regarded as being dishonest by the ordinary standards of reasonable and honest people (Clapham Omnibus) and whether the defendant was aware that his conduct was dishonest.

A representation is false if:

- It is untrue or misleading;
- The person making it knows that it is, or might be, untrue or misleading

The term ‘representation’ is defined under s.2 (3) of the Act as

“Any representation as to fact or law, including a representation as to the state of mind of the person making it, or any other person.”

Subsection (4) states the representation may be expressed or implied.

Section 3 - Fraud by failing to disclose information

A person is in breach of this Section if he/she:

- dishonestly fails to disclose to another person information which he is under a legal duty to disclose; and
- intends, by failing to disclose the information, to make a gain for himself or another, or to cause loss to another or to expose another to a risk of loss.

Explanatory notes

This section applies to all parties where a person is under a duty to disclose something and by not doing so could create some gain (e.g. not disclosing an illness for medical insurance) or where the failure to disclose causes a loss or puts another at a risk of a loss.

This may include verbal or written contracts. The Law Commission's Report of Fraud on the concept of 'legal duty' is as follows:

Section 4 - Fraud by abuse of position

A person is in breach of this Section if he/she:

- occupies a position, in which he is expected to safeguard, or not act against, the financial interests of another person;
- dishonestly abuses that position; and
- intends, by means of the abuse of that position to make a gain for himself or another, or to cause loss to another or expose another to a risk of loss.

Explanatory notes

S.4 (2) A person may be regarded having abused his position even though his conduct consisted of an omission rather than an act.

This offence focuses on those persons who are in positions of financial trust and have insight and possibly control of another's financial situation. There will be some form of relationship or agreement between both parties for the offence to operate: the relationship can be one of client, employee, family, trustee and beneficiary or simple trust. Although the offence focuses on the area of finance of the victim, it appears by the wording of the section that the actual gain to the offender may not be monetary, although it invariably will be.

The following examples are given:

- Where an employee fails to take up a contract to allow a rival company to obtain the contract at the expense of the employee's company
 - Where someone is looking after elderly or vulnerable persons and has access to their bank account and abuses their position by removing money from the account.
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Section 7 – Making or supplying articles* for use in frauds

Under section (1) a person is guilty of an offence if he makes, adapts, supplies or offers to supply any article:

- knowing that it is designed or adapted for use in the course of or in connection with fraud; or
- intending it to be used to commit, assist in the commission of, fraud.

* An article includes any program or data held in electronic form and can also include anything that can be used to make, alter, remove, supply or store something by electronic means in connection with fraud.

Fraud under this section may be manipulating or amending the date on a Blue Badge or photocopying a badge and supplying to another.

Corruption and Bribery (Council Code of Conduct – Section 12)

- 12.1 It is a serious criminal offence of corruption if you receive or give any gift, loan, fee, reward or advantage for doing or not doing anything or for showing favour or disfavour in the course of your work. Anyone offered an inducement (in whatever form) to undertake an action or make a decision in favour of another person, regardless of whether the same decision would have been made without the inducement, could be deemed as committing a corrupt act.
- 12.2 If inducements have been made it would be for you to demonstrate that they have not been corruptly obtained or given. In layman's terms, for this offence alone in British law, you would be presumed guilty until proved innocent.
- 12.3 Bribery is an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage.
- 12.4 Under the Bribery Act 2010, individuals can be prosecuted for accepting bribes or offering bribes. It is an offence to offer, promise or give a bribe. It is also an offence to request, agree to receive, or accept a bribe. In this case a bribe is a financial or other advantage, which is offered or requested with the intention of inducing or rewarding the improper performance of a relevant function or activity.
- 12.5 In addition, the Council can be prosecuted for failing to prevent bribery committed to obtain or retain business advantage for the Council by an employee, other individual or organisation performing services for the Council. The Council will comply with its duty to report alleged acts of bribery to the police if it becomes aware or reasonably suspects that bribery is taking place.
- 12.6 You have an obligation to report any financial interest or relationship which could affect the decisions or policies of the Council to the Monitoring Officer. This data will be held on the E Register.
- 12.7 If involved in appointments you must decide them based on merit, as detailed in the Recruitment and Selection Policy. It is unlawful to do otherwise.
- 12.8 You must not be involved in an appointment if you are related to an applicant or have a close personal relationship outside work with him or her.
- 12.9 Similarly, you must not be involved in decisions relating to discipline, promotion or pay adjustments for any employee with whom you have a close personal relationship.
- 12.10 Cases of alleged corruption or bribery will be dealt with seriously. Failure to adhere to these rules may lead to disciplinary action being taken, which may result in dismissal.

The full version of the Council's Code of Conduct can be found at:

[Oldham Council Code of Conduct](#)

Sanctions Policy (Fraud & Bribery)

Introduction:

Oldham Council (Oldham) is committed to delivering public services in an efficient and effective way and takes its responsibility for protecting public funds seriously. Oldham has a duty to reduce fraud and bribery to a minimum, the strategy for doing so is detailed within the Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan. The use of sanctions is governed by this policy and principles.

Objectives:

The objectives of Oldham are to ensure that:

- Sanctions are applied fairly and consistently
- Sanctions are applied in an effective and cost-effective way
- The sanction decision making process is robust, transparent and fair.

The sanction decision will have regard to Oldham's Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan and the overall impact of any decision on the individual and the wider community.

Oldham has a range of sanctions that will be considered:

- No further action
- Disciplinary action and/or referral to professional bodies
- Civil proceedings
- Criminal proceedings
- Parallel sanctions
- (i.e. combination of the above options).

No further action

Oldham may consider closing a case without taking any further action. This may be due to the following factors:

- Evidence is not robust or reliable
- The offence is minor
- The cost to pursue the case is not proportionate to the offence committed.

Disciplinary action

In the event that an allegation is made against an Oldham employee, the Internal Audit and Counter Fraud Team will consult with Human Resources, in accordance with the HR Disciplinary Policy and the relevant Head of Service. Any disciplinary action will be taken in conjunction with Human Resources, and the decision as to whether to refer the issue to any other enforcement agencies, for example, Police, HM Revenues & Customs will be a joint decision between the Director of Finance, the relevant Head of Service and a Representative of Peoples Services Team (Human Resources).

Sanctions may include warnings or dismissal.

Civil Proceedings

Where it is considered that a criminal prosecution will not be pursued, as evidence is not sufficient to prove a case beyond reasonable doubt, Oldham Council may consider civil proceedings.

For civil proceedings the standard of proof is on the balance of probabilities. Where it is evident that Oldham has been defrauded by one of its employees (or service users/customers) – the proceeds of fraud may be preserved through civil proceedings without notice to the subject, by the following measures:

- Freezing/tracing injunctions – an interim measure which restrains a person from removing or dealing with assets located within the jurisdiction.
- Search order – an interim order for the preservation of evidence.
- Recovery of money.

Regardless of whether or not any sanction action is taken, Oldham Council, will always seek to recover any overpayments or misused monies.

The Accounts Receivable Team will be consulted, and their usual procedures applied, including civil action when necessary.

Criminal proceedings

Where Oldham considers that there is sufficient evidence to indicate that a criminal act has taken place, the Internal Audit and Counter Fraud Team, under the direction of the Head of Corporate Governance, would refer the matter in the first instance to either the local Police or via the Action Fraud helpline.

The decision taken by the Police or Crown Prosecution Service will be the final decision as to whether or not to pursue the case. Before a decision is taken whether or not to prosecute, the following factors will be considered:

Evidential criteria – the evidence must be:

- Clear, reliable and admissible in court.
- Strong enough for a realistic chance of prosecution, i.e. to prove a case 'beyond reasonable doubt.'

Public interest test - will also need to be considered, i.e. the prosecutor will decide whether there are public interest factors tending against prosecution. In making this decision, the following factors will be considered:

- Seriousness &/or monetary value of the offence.
- Cost and proportionality of the prosecution.
- Age & Medical conditions.
- Other social factors.
- Vulnerability of subject.

However, Oldham is also empowered, under Section 222 of the Local Government Act, where they consider it 'expedient for the promotion or protection of the inhabitants of their area' to:

- prosecute or defend or appear in legal proceedings and, in the case of civil proceedings, institute them in their own name; and
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- in their own name, make representations in the interests of the inhabitants at any public inquiry held by or on behalf of and Minister or public body under any enactment.'

Oldham will consider undertaking prosecution through this route if appropriate, usually in exceptional circumstances, as referral to the Police/Action Fraud is the preferred route.

Parallel Sanctions

As a matter of principle, it would be wrong to assume that any sanction(s) should be held in abeyance to wait for another to proceed to conclusion. The option of pursuing parallel sanctions may be considered.

It is preferable for the appropriate sanctions to proceed simultaneously, but it is not necessary for anyone to await the result of another before concluding. However due consideration must be given to all proceedings to ensure that one does not impact improperly upon another.

In such instances Oldham will carry out an investigation with a view to pursuing criminal prosecution whilst, simultaneously, Human Resources will coordinate an internal disciplinary investigation. The advantage of this approach is that all appropriate action is taken by Oldham at the earliest opportunity to avoid any additional costs that may be incurred e.g. continuing salary whilst subject is on suspension and/or cost of employing replacement staff in the interim.

The decision to run parallel sanctions will be determined on a case by case basis with emphasis, for the majority of cases, on a successful criminal sanction being of the highest priority. In any event advice should always be sought from the Audit and Counter Fraud Team and Human Resources Service before progressing any course of action.

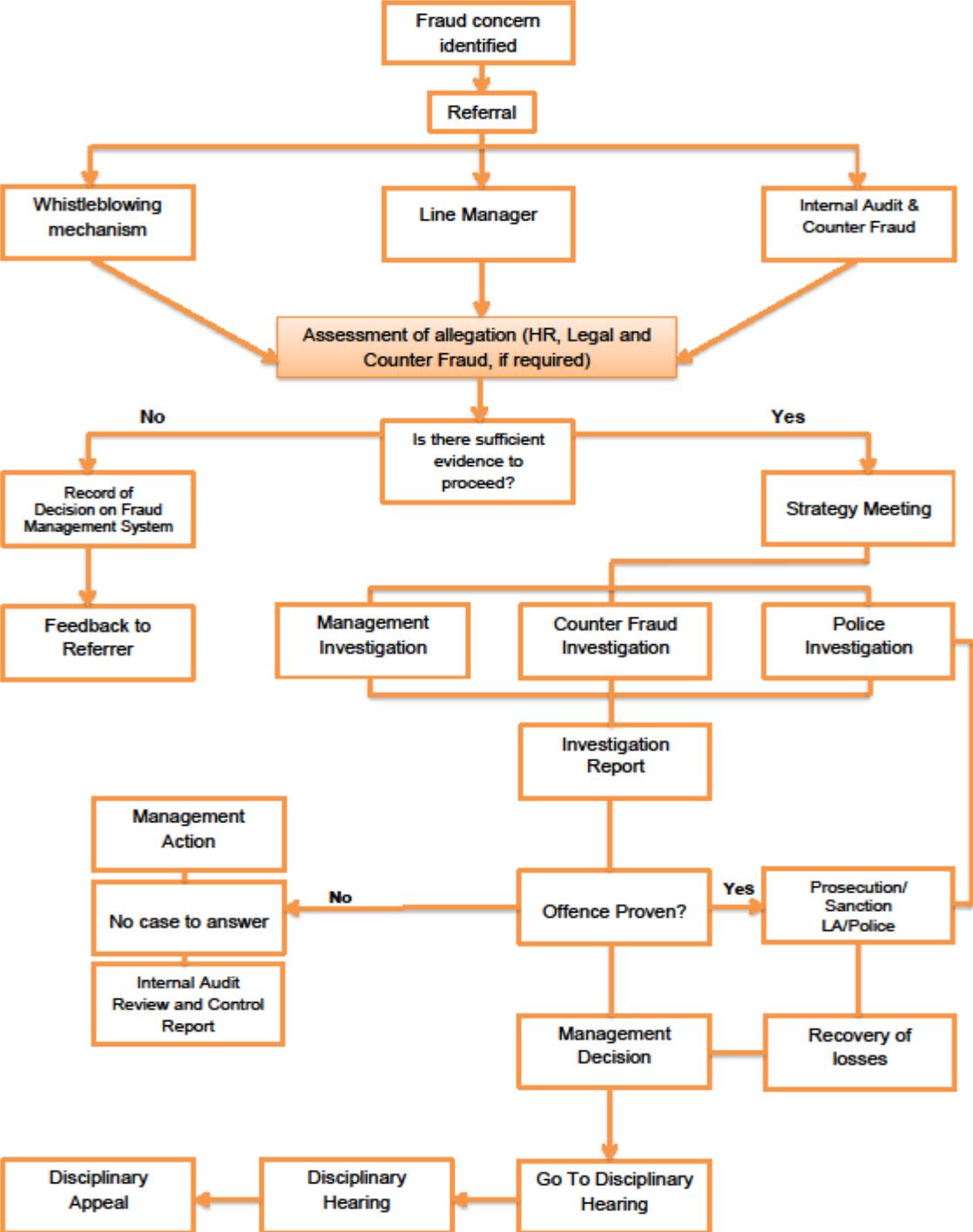
Fraud Indicators

A number of frauds can come to light because of suspicions aroused by, for instance, the behaviour of certain individuals. It is impossible to give a definitive list of fraud indicators or warning signs. The following are types of risk factors that may, either alone or cumulatively with other factors, suggest the possibility of fraud and may therefore warrant further investigation or enquiry.

- **Unusual employee behaviour:** Refusal to comply with normal rules and practices, fails to take leave, refusing promotion, managers by-passing subordinates, subordinates by-passing managers, living beyond means, regularly working long-hours, job dissatisfaction/unhappy employee, secretiveness or undue defensiveness.
 - **Financial irregularities:** Key documents missing (e.g. invoices, contracts); absence of controls and audit trails; missing expenditure vouchers and official records; general ledger out of balance; bank and ledger reconciliations are not maintained or cannot be balanced; excessive movements of cash or transactions between accounts; numerous adjustments or exceptions; constant overdue pay or expense advances; duplicate payments; ghost employees on the payroll; large payments to individuals; excessive variations to budgets or contracts.
 - **Bad procurement practice:** Too close a relationship with suppliers/contractors; suppliers/contractors who insist on dealing with only one particular member of staff; unjustified disqualification of any bidder; lowest tenders or quotes passed over with minimal explanation recorded; defining needs in ways that can be met only by specific contractors; single vendors; vague specifications; splitting up requirements to get under small purchase requirements or to avoid prescribed levels of review or approval.
 - **Disorganisation:** Understaffing in key control areas; consistent failures to correct major weaknesses in internal control; inadequate or no segregation of duties.
 - **Inadequate supervision:** Policies not being followed; lack of senior management oversight; inadequate monitoring to ensure that controls work as intended (periodic testing and evaluation); low staff morale, weak or inconsistent management.
 - **Lax corporate culture:** Management frequently override internal control; climate of fear or a corporate culture; employees under stress without excessive workloads; new employees resigning quickly; crisis management coupled with a pressured business environment; high employee turnover rates in key controlling functions.
 - **Poor work practices:** Lack of common-sense controls; work is left until the employee returns from leave; post office boxes as shipping addresses; documentation that is photocopies or lacking essential information; lack of rotation of duties; unauthorised changes to systems or work practices.
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Counter Fraud Response Plan

Appendix E - Counter Fraud Response Plan



Suitability of Offenders for Prosecution

When considering whether it is appropriate to instigate proceedings, consideration will be given as to whether there is sufficient admissible evidence to justify bringing a prosecution and if the prosecution is in the public interest.

The following paragraphs outline factors that will be considered, to ensure consistent and equitable treatment of those accused of fraud.

Evidential Test

In making a decision to prosecute, the local authority must be satisfied that there is enough evidence to provide a 'realistic prospect of conviction'. A realistic prospect of conviction is an objective test meaning that a jury, magistrate or judge hearing a case which, is properly directed in accordance with the law, is more likely than not to convict the defendant of the alleged offence. Evidence must be able to be used in a court of law. It must have been gathered appropriately, in accordance with the law and be from a reliable source.

If a case does not pass the 'evidential test' it must not go ahead no matter how important or serious the offence seems. If the case does pass the evidential stage, then it should move on to the second stage to decide if a prosecution is appropriate in the public interest.

Public Interest Test

Oldham Council will always consider public interest judiciously and will balance the factors for and against prosecution objectively. In making the decision whether it is in the public interest to prosecute, the following factors will be considered.

Financial Limits

Careful consideration will be given to commencing a prosecution where the fraudulent activity has not resulted in 'significant financial gain' to the offender, for example the amount of the reduction or discounts overpayment is less than the cost of proceedings.

Where there is no significant financial gain a prosecution could still be considered if it is felt that the fraud was a deliberate attempt to gain (if, for example, the fraud has been discovered after a relatively short space of time and a significant financial gain has not yet occurred), or in the case of a persistent offender or any other case where prosecution would be warranted.

Physical / Mental Factors

Consideration will be given to the defendant's mental and physical condition (including age) when deciding whether to prosecute. The Counter Fraud Officer will consider whether there are significant personal or mental problems that may have contributed to the reasons for committing the offence. In addition, due consideration will be given where there is any evidence to suggest that the claimant or partner or a third party (for example a child) would be severely affected by the action.

Voluntary Disclosure

It may not be appropriate to prosecute those, whose disclosure of their own free will, has led to the identification of a fraud of which the Council was unaware. Admissions made after enquiries or an investigation had commenced do not constitute voluntary disclosure.

Previous Incidence of Fraud

Any evidence of previous benefits-related fraudulent activity would form part of the overall "prosecution assessment", regardless of whether any previous offences resulted in prosecution.

Social Factors

If it is considered that the defendant's failure to declare the correct circumstances has been caused by significant extenuating social or financial factors these would be fully evaluated. (The fact that an individual was in debt or has limited assets would not in itself meet this requirement.)

Adequacy of Evidence

Substantive evidence is essential to secure any conviction. Proceedings would not be sought if there is any doubt that the required evidence is not available. It must be clear that the fraudulent act was actually committed, that it was committed in the full knowledge of benefit regulations and that it was committed with the clear and deliberate intention to obtain property by deception. Satisfying the requirements of the Code for Crown Prosecutors Evidential Test will ensure that evidence is of the standard required by the courts.

Failure in Investigation

It should be evident on the case file that all appropriate procedures have been adhered to with regard to satisfying the requirements of the Police and Criminal Evidence Act 1984, Criminal Procedures and Investigations Act 1996 and other relevant legislation. Particular consideration would also be given to any delay in the course of enquiries, which may be considered as unacceptable by the court.

Failure in Administration

Full account will be taken of poor administration or fault on the part of authority that has contributed to the processing of the fraudulent claim and subsequent award of discount or reduction in liability.

Authorisation of Prosecution

Cases being referred for prosecution will be authorised by the Audit and Counter Fraud Manager or the Head of Corporate Governance. Cases involving Council Members will be referred to the Director of Legal Services , and those involving employees will be referred to the appropriate Service Director.

Cases may also be referred to the police, where it is considered that the nature of the offence, or the procurement of evidence require them to undertake or assist in the investigation.

Audit and Counter Fraud Team

**Local Council Tax Reduction Scheme Sanction
Policy**

June 2019

Version Control

Version	Version Date	Revised by	Description
1	April 2013	Andrew Bloor	New Policy
2	July 2015	Andrew Bloor	Introduction of Civil Penalties and the amendment to Financial Penalties
3	June 2019	Andrew Bloor	Revised Civil Penalties

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Local Council Tax Reduction Scheme Sanction Policy

1. Introduction

1.1 This policy statement provides the agreed framework for Council officers involved in the investigation, sanction and prosecution of:

- Council Tax
- Local Council Tax Reduction (LCTR)

The Council is committed to protecting the public funds it administers:

- by making it clear that residents have a responsibility to provide; accurate and timely information about claims for reductions, discounts and /or exemptions;
- through the investigation of suspected fraudulent claims; and
- through the subsequent sanctioning and prosecution of offenders.

The sanction policy for other types of fraud can be found in the Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan.

2. Post-Investigation Considerations

2.1 Once the Counter Fraud Officer has completed an investigation, it will be passed to the Assistant Manager – Counter Fraud within the Audit and Counter Fraud Team, who will consider each case on its merits applying the criteria in this policy and in the Code for Crown Prosecutors and any other circumstances relevant to the case.

2.2 The Assistant Manager – Counter Fraud will review evidence in collaboration with the Audit and Counter Fraud Manager to provide a realistic prospect of securing a conviction and if so, whether it is in the public interest to recommend prosecution or an alternate sanction. The recommendation will be provided to the Head of Corporate Governance for consideration.

2.3 To ensure a consistent and equitable application of sanctions and prosecutions the following guidelines will normally apply.

3. Cautions

3.1 A Caution is a warning (of which a written record is made), given in certain circumstances to a person who has committed an offence.

3.2 A caution can only be considered when:

- there is sufficient evidence to justify instituting criminal proceedings;
- the person has admitted the offence during an interview under caution and agrees to the caution;
- there are no previous convictions or cautions for benefit fraud; and
- there was no other person involved in the fraud.

3.3 A caution can be offered when there is no loss to public funds following the presentation of a false document. For example: a false statement on an initial claim form that was identified prior to payment being made. Although there is no loss to

funds, there may be an offence of making a false statement in an attempt to obtain a reduction in Council Tax liability.

- 3.4 However, a caution cannot be offered in cases where there is no loss to public funds following a customer's failure to declare a change of circumstances.
- 3.5 If the person refuses a caution, the Council's policy is to commence criminal proceedings. The court will be informed that proceedings have been brought because the person refused the offer of a Caution.
- 3.6 If the person is subsequently prosecuted for another benefit offence, the caution may be cited in court.

4. Financial Penalties

4.1 Regulation 11 of The Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013, allows Oldham Council to offer a person the opportunity to pay a financial penalty as an alternative to prosecution where certain conditions are satisfied. The penalty is laid down in the legislation and is 50% of the excess reduction subject to:

- A minimum of £100; and
- A maximum of £1,000.

4.2 In cases where an offence has been committed but the fraud was discovered before any benefit was paid the penalty as laid down in the legislation is £100.

4.3 The offer of a Financial Penalty may be made where there is sufficient evidence to justify the prosecution of an offence, where the offence is not so serious and where the overpayment is low enough that it would not be in the public interest to prosecute.

4.4 A Financial Penalty will only be considered when:

- there is sufficient evidence to justify instituting criminal proceedings;
- the person has admitted the offence during an interview under caution and agrees to the caution;
- there are no previous convictions or cautions for benefit fraud;
- there was no other person involved in the fraud'; and
- it is clear that the offender can afford to pay a penalty.

5. Civil Penalties – Incorrect Statements

5.1 Regulation 12 of the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) 2013 allows Oldham Council to impose a penalty of £70 where an incorrect statement or representation has been made.

5.2 The £70 penalty can only be imposed where a person has not been charged with a Local Council Tax Reduction offence or been offered a Caution or Financial Penalty under Regulation 11 of the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013.

6. Civil Penalties – Failure to notify change of circumstances

6.1 Regulation 13 of the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) 2013 allows Oldham Council to impose a penalty of £70 where without reasonable excuse; there is a failure to report a relevant change of circumstances promptly.

6.2 The £70 penalty can only be imposed where a person has not been charged with a Local Council Tax Reduction offence or been offered a Caution or Financial Penalty under Regulation 11 of the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013.

7. Civil Penalties – Council Tax

7.1 Schedule 3 of the Local Government Finance Act 1992 allows Oldham Council to impose a penalty of £70 where a person fails to comply with certain requirements to the supply of information.

7.2 A penalty can be imposed on any person who –

- has been requested by the Council to supply information to identify the liable person for council tax and has failed to supply this information; or
- has knowingly supplied information, with regard to identifying the liable person, which is inaccurate in a material particular; or
- has failed, without reasonable excuse, to notify the Council that the dwelling will not be, or was no longer an exempt dwelling; or
- has failed, without reasonable excuse, to notify the Council that the chargeable amount is not subject to a discount or is subject to a discount of a lesser amount.

8. Prosecution

8.1 Prosecutions relating to this policy are pursued by Oldham Council's Director of Legal Services and involve cases where someone who has committed an offence in order to receive a Local Council Tax Reduction.

8.2 Prosecution of an offender will take place in a Magistrates or Crown Court.

9. Suitability of Offenders for Prosecution

9.1 When considering whether it is appropriate to instigate proceedings, consideration will be given as to whether there is sufficient admissible evidence to justify bringing a prosecution and if the prosecution is in the public interest.

9.2 The following paragraphs outline factors that will be considered, to ensure consistent and equitable treatment of those accused of fraud.

Evidential Test

9.3 In making a decision to prosecute, the local authority must be satisfied that there is enough evidence to provide a 'realistic prospect of conviction'. A realistic prospect of conviction is an objective test meaning that a jury, magistrate or judge hearing a case which, is properly directed in accordance with the law, is more likely than not to convict the defendant of the alleged offence. Evidence must be able to be used

in a court of law. It must have been gathered appropriately, in accordance with the law and be from a reliable source.

- 9.4 If a case does not pass the 'evidential test' it must not go ahead irrespective of the potential importance or seriousness of the potential offence seems. If the case does pass the evidential stage, then it should move on to the second stage to decide if a prosecution is appropriate in the public interest.

Public Interest Test

- 9.5 Oldham Council will always consider public interest judiciously and will balance the factors for and against prosecution objectively. In making the decision whether it is in the public interest to prosecute, the following factors will be considered.

Financial Limits

- 9.6 Careful consideration will be given to commencing a prosecution where the fraudulent activity has not resulted in 'significant financial gain' to the offender, for example the amount of the reduction or discounts overpayment is less than the cost of proceedings.
- 9.7 Where there is no significant financial gain a prosecution could still be considered if it is felt that the fraud was a deliberate attempt to gain (if, for example, the fraud has been discovered after a relatively short space of time and a significant financial gain has not yet occurred), or in the case of a persistent offender or any other case where prosecution would be warranted.

Physical / Mental Factors

- 9.8 Consideration will be given to the defendant's mental and physical condition (including age) when deciding whether to prosecute. The Counter Fraud Officer will consider whether there are significant personal or mental circumstances that may have contributed to the reasons for committing the offence. In addition, due consideration will be given where there is any evidence to suggest that the claimant or partner or a third party (for example a child) would be severely affected by the action.

Voluntary Disclosure

- 9.9 It may not be appropriate to prosecute those, whose disclosure of their own free will, has led to the identification of a fraud of which the Council was unaware. Admissions made after enquiries or an investigation had commenced do not constitute voluntary disclosure.

Previous Incidence of Fraud

- 9.10 Any evidence of previous benefits-related fraudulent activity will form part of the overall "prosecution assessment", regardless of whether any previous offences resulted in prosecution.

Social Factors

- 9.11 If it is considered that the defendant's failure to declare the correct circumstances has been caused by significant extenuating social or financial factors these would
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be fully evaluated. (The fact that an individual was in debt or has limited assets would not in itself meet this requirement.)

Adequacy of Evidence

- 9.12 Substantive evidence is essential to secure any conviction. Proceedings would not be sought if there is any doubt that the required evidence is not available. It must be clear that the fraudulent act was actually committed, that it was committed in the full knowledge of benefit regulations and that it was committed with the clear and deliberate intention to obtain property by deception. Satisfying the requirements of the Code for Crown Prosecutors Evidential Test will ensure that evidence is of the standard required by the courts.

Failure in Investigation

- 9.13 It should be evident on the case file that all appropriate procedures have been adhered to with regard to satisfying the requirements of the Police and Criminal Evidence Act 1984, Criminal Procedures and Investigations Act 1996 and other relevant legislation. Particular consideration would also be given to any delay in the course of enquiries, which may be considered as unacceptable by the court.

Failure in Administration

Full account will be taken of poor administration or fault on the part of authority that has contributed to the processing of the fraudulent claim and subsequent award of discount or reduction in liability.

10. Authorisation of Prosecution

- 10.1 Cases being recommended for referred for prosecution will be reviewed and authorised by the Audit and Counter Fraud Manager for discussion with the Head of Corporate Governance. Cases involving Council Members will be referred to the Director of Legal Services so that any standards issues can be addressed.
- 10.2 Cases involving members of staff will be referred to the appropriate Service Director.
- 10.3 Cases may also be referred to the police where it is considered that the nature of the offence, or the procurement of evidence require them to undertake or assist in the investigation.

11. Proceeds of Crime Act 2003

- 11.1 The Council will refer all suitable cases for financial investigation with a view to applying to the courts for restraint and/or confiscation of identified assets. A restraint order prevents a person from dealing with specified assets. A confiscation order enables the Council's agents to seek to recover its losses from assets found to be the proceeds of crime.

12. Recovery of Debt

- 12.1 In addition to any criminal proceedings or sanction it may impose in respect of offences committed, the Council will use all methods available to vigorously recover any overpayment arising from fraud, including taking action in the civil courts, if necessary.
-

13. Publicity

- 13.1 Press releases will be issued in suitable cases to seek to maximise the deterrent effect and raise the level of public fraud awareness. Consideration will be given to the amounts involved, the nature of the offence, public interest and the deterrent value of publicising a particular case.

14. Review of Policy

- 14.1 In addition to an annual review, the policy will be reviewed in the light of any legislative changes; trends or other factors that impact on the effectiveness of the policy.
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Audit and Counter Fraud Team

Anti-Money Laundering Policy

August 2019

Version Control

Version	Version Date	Revised by	Description
1	September 2008	Mark Stenson	New Policy
2	August 2019	Andrew Bloor	Revised – Money Laundering Guidance 2017

Policy Section

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Anti-Money Laundering Policy

1. Introduction

- 1.1 The public is entitled to expect the Council to conduct its affairs with integrity, honesty and openness and to demand the highest standards of conduct from those working for it. This Money Laundering Policy outlines the Council's commitment to creating an anti-fraud culture and maintaining high ethical standards in its administration of public funds. It also recognises its responsibilities under the legislation including the Terrorism Act 2000, Proceeds of Crime Act 2002, Money Laundering Regulations 2017 and Fraud Act 2006 and other relevant legislation ("the Money Laundering Legislation"). This should be read in conjunction with the Council's existing anti-fraud and corruption policy and its whistleblowing policy.
- 1.2 Under the Money Laundering legislation the Council needs to have appropriate systems in place to deal with the reporting of money laundering, staff training and identifying and keeping records of money laundering so as to create an anti-fraud culture and maintain its high ethical standards in its administration of public funds. This policy is intended to do that. It should be noted that some of the technical parts of the Money Laundering law, such as the Money Laundering Regulations 2017, do not apply to the Council as it is not operating within the relevant regulated sectors such as financial institutions/law firms.

2. Scope of the Policy

- 2.1 This policy applies to all employees and elected members of the Council and aims to prevent criminal activity through money laundering. It is extremely important that elected members and employees are vigilant at all times and understand the responsibilities of the Council.

3. What is Money Laundering?

- 3.1 Money laundering is a general term for any method of disguising the origin of "dirty" or criminal money. This money may be the proceeds of any criminal activity including terrorism, drugs trafficking, corruption, tax evasion and theft. The purpose of money laundering is to hide the origin of the dirty money so that it appears to have come from a legitimate source. Unfortunately, no organisation is safe from the threat of money laundering, particularly where it is receiving funds from sources where the identity of the payer is unknown. It is, therefore, possible that Oldham Council will be targeted by criminals wishing to launder the proceeds of crime.
- 3.2 In addition, it is possible that the proceeds of crime may be received from individuals or organisations that do not realise that they are committing an offence. It is no defence for the payer or the recipient to claim that they did not know that they were committing an offence if they should have been aware of the origin of the funds.
- 3.3 There are two main types of offences which may be committed:
- Money laundering offences.
 - Failure to report money laundering offences.

3.4 The main types of money laundering offences are:

- Acquiring, using or possessing criminal property.
- Handling the proceeds of crimes such as theft, fraud and tax evasion.
- Being knowingly involved in any way with criminal or terrorist property.
- Entering into arrangements to facilitate laundering criminal or terrorist property.
- Investing the proceeds of crime in other financial products.
- Investing the proceeds of crimes through the acquisition of property/assets.
- Transferring criminal property.

3.5 Under the legislation if staff assist an individual to launder funds from a criminal source, they may be guilty of an offence and, if found guilty, could be subject to a fine or a prison sentence up to 14 years. It is important therefore that staff are aware of the rules and procedures that the Council has in place to ensure that they comply with the relevant legislation and approach taken by the Council as set out in this policy.

4. What are the Obligations on the Council?

4.1 Organisations conducting “relevant business” must:

- appoint a Money Laundering Reporting Officer (“MLRO”) to receive;
- disclosures from employees of money laundering activity (their own or anyone else’s);
- implement a procedure to enable the reporting of suspicions of money laundering;
- maintain client identification procedures in certain circumstances; and
- maintain record keeping procedures.

5. The Money Laundering Reporting Officer

5.1 The Officer nominated to receive disclosures about money laundering activity within the Council is:

Head of Corporate Governance
Oldham Council
Level 14
Civic Centre
Oldham
OL1 1UH

6. Identification of potential money laundering situations

6.1 Criminals have various ways of concealing, moving and legitimising the proceeds of crime. Examples of signs of money laundering where suspicions should arise include:

- Use of cash where other means of payment are normal.
 - Unusual transactions or ways of conducting business.
 - Unwillingness to answer questions/general secretiveness.
 - Use of new/shell companies.
 - Payment of deposits which are subsequently requested back.
 - Lack of ‘traceability’ of persons involved.
 - Individuals and companies that are insolvent yet have funds.
-

6.2 It is not possible to give a definitive list of ways in which to identify money laundering or how to decide whether to make a report to the MLRO. The following are types of risk factors which may, either alone or cumulatively with other factors, suggest the possibility of money laundering activity:

- Payment of a substantial sum in cash (over £5,000).
- A new customer.
- A secretive customer e.g. refuses to provide requested information without a reasonable explanation.
- Concerns about the honesty, integrity, identity or location of a customer.
- Illogical third-party transaction such as unnecessary routing or receipt of funds from third parties or through third party accounts.
- Involvement of an unconnected third party without logical reason or explanation.
- Overpayments by a customer.
- Absence of an obvious legitimate source of funds.
- Movement of funds overseas, particularly to a higher risk country or tax haven.
- Transactions which are out of the line of normal expectations, without reasonable explanation.
- A transaction without obvious legitimate purpose or which appears uneconomic, inefficient or irrational.
- The cancellation or reversal of an earlier transaction.
- Requests for release of customer account details other than in the normal course of business.
- Transactions at substantially above or below fair market values.
- Poor business records or internal accounting controls.
- A previous transaction for the same customer which has been, or should have been, reported to the MLRO.

6.3 In addition to the money laundering offences, the legislation sets out further offences of failure to report suspicions of money laundering activities. Such offences are committed where, in the course of conducting relevant business in the regulated sector, you know or suspect, or have reasonable grounds to do so (even if you did not know or suspect), that another person is engaged in money laundering and you do not disclose this as soon as is practicable to the MLRO.

7. Reporting Procedure

7.1 If you know or suspect that money laundering activity is taking place, has taken place, or that your involvement in a matter may amount to a prohibited act under the legislation, this must be disclosed immediately to the MLRO. This disclosure should be within hours of the information coming to your attention, not weeks or months later. If you do not disclose information immediately, then you may be liable to criminal prosecution.

7.2 Your disclosure should be made using the form MLRO1, Money Laundering Suspicion Report Form, which is attached at Appendix A. The disclosure report must contain as much detail as possible, for example:

- Full details of the people involved (including yourself if relevant), e.g. name, date of birth, address, company names, directorships, phone numbers, etc.
 - Full details of the nature of your and their involvement.
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- The types of money laundering activity suspected.
 - The dates of such activities, including whether the transactions have happened, are ongoing or are imminent.
 - Where they took place.
 - How they were undertaken.
 - The (likely) amount of money/assets involved.
 - Why, exactly, you are suspicious?

7.3 You should also supply any other available information to enable the MLRO to make a sound judgement as to the next steps to be taken and you should enclose copies of any relevant supporting documentation.

7.4 If you are a legal adviser and consider that legal professional privilege may apply to the information, you should explain fully in the MLRO1 form the reasons why you contend the information is privileged. The MLRO, in consultation with the Head of Legal Services, will then decide whether the information is exempt from the requirement to report suspected money laundering to the National Crime Agency (NCA).

7.5 Once you have reported the matter to the MLRO you must follow any directions they may give you. You must NOT make any further enquiries into the matter yourself. Any necessary investigation will be undertaken by NCA. All employees will be required to co-operate with the MLRO and the authorities during any subsequent money laundering investigation.

7.6 At no time and under no circumstances should you voice any suspicions to the person(s) whom you suspect of money laundering or to any other individual without the specific consent of the MLRO. If you do so you may commit the offence of 'tipping off'.

7.7 Do not make any reference on records held to the fact that you have made a report to the MLRO. If a customer exercises their right to see their record, any such note would obviously tip them off to the report having been made and may render you liable to prosecution. The MLRO will keep the appropriate records in confidential manner.

7.8 In all cases no further action must be taken in relation to the transaction(s) in question until either the MLRO or NCA (if applicable) has specifically given their written consent to proceed.

8. Record Keeping

8.1 The MLRO will retain all disclosure reports referred to them and reports made by them to the NCA for a minimum of five years.

9. Conclusion

9.1 The legislative requirements concerning anti-money laundering procedures are lengthy and complex. This document has been written to enable the Council to meet the legal requirements in a way that is proportionate to the low risk to the Council of contravening the legislation. Should you have any concerns whatsoever regarding any transactions then you should contact the MLRO.

9.2 The policy will be reviewed on an annual basis and updated/amended when new legislation/guidance is issued to ensure all information is accurate and up to date.

Referral to Money Laundering Responsible Officer (MLRO1)

**MONEY LAUNDERING REPORTING OFFICER DISCLOSURE FORM
(MLRO1)**

Date of Disclosure	
Officer making the disclosure (including job title)	
Contact details	

Subject Details	
Surname	
Forename(s)	
Date of Birth	

Or if the mater relates to a company	
Company Name	
Address	
Company Number (if known)	

Reason for Disclosure

Audit and Counter Fraud Team

**CIPFA Fighting Fraud and Corruption Locally
2016-2019 - Checklist**

August 2019



Version Control

Version	Version Date	Revised by	Description
1	May 2016	Andrew Bloor	New Report
2	May 2017	Andrew Bloor	Revised Report
3	June 2018	Andrew Bloor	Revised Report
4	August 2019	Andrew Bloor	Revised Report

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Findings		2
CIPFA Fighting Fraud and Corruption Locally 2016-2019 - Checklist		

CIPFA Fighting Fraud and Corruption Locally 2016-2019

1. Background

- 1.1 Representatives from Local and Central Government, with support from private sector fraud specialists, have collaborated to prepare the Fraud and Corruption Locally (FFCL) 2016-2019 Strategy. This involved a series of workshops and interviews with key stakeholders and subject matter experts.
- 1.2 The CIPFA FFCL 2016-2019 is designed to deliver a vision of Fraud and Corruption so that by 2019:
- There is a culture in which fraud and corruption is not tolerated, and everyone plays a part of eradicating them.
 - Local Authorities prevent fraudsters accessing systems and services through the use of technology.
 - Local Authorities invest in sustainable systems to tackle fraud and corruption, and there are visible results of recovery.
 - Local Authorities share data effectively and use analytical tools to prevent and detect losses.
 - Fraudsters are brought to account quickly and efficiently.
- 1.3 Local Authorities are self-regulating in respect of counter fraud. The Council aims to show that it undertakes realistic self-assessment and identifies and understands the major risks as well as acknowledging issues and putting in place plans which can demonstrate taking action with visible outcomes.

2. Findings

- 2.1 A self-assessment of the Council's work within Audit and Counter Fraud Team against CIPFA's FFCL 2016-2019 Checklist are detailed in the table overleaf.
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Table: Oldham Council Self-Assessment – CIPFA Fighting Fraud and Corruption Locally 2016-2019 Checklist

	CIPFA Checklist Item	Self-Assessment Comments
1	The local authority has made a proper assessment of its fraud and corruption risks, has an action plan to deal with them and regularly reports to its Senior Board and its Members.	The Fraud and Loss Risk Assessment has been developed by Audit and Counter Fraud Team and is reported to Members at the Audit Committee. The Head of Corporate Governance reports quarterly to the Audit Committee to counter fraud progress. Audit and Counter Fraud report outcomes to the Director of Finance on a monthly basis. The Audit and Counter Fraud Team regularly tests the operation of internal controls in key areas.
2	The local authority has undertaken an assessment against the risks in Protecting the Public Purse: Fighting Fraud Against Local Government (2014) and has also undertaken horizon scanning of future potential fraud and corruption risks.	<p>These risks are considered in producing the Audit and Counter Fraud Plan. The Head of Corporate Governance presented the CIPFA Fighting Fraud and Corruption Locally 2016-2019 Checklist to the Audit Committee in December 2014; however, the document has been maintained.</p> <p>As part of the annual audit planning process, horizon scanning is undertaken to ensure that new and merging fraud risks are included within the annual Audit and Counter Fraud Plan.</p>
3	There is an annual report to the Audit Committee, or equivalent detailed assessment, to compare against Fighting Fraud and Corruption Locally 2016 and 2019 and this checklist.	The Head of Corporate Governance presents the Annual Report ,which sets out his annual Audit Opinion at the Audit Committee.
4	There is a counter fraud and corruption strategy applying all aspects of the local authority business which has been communicated throughout the local authority and acknowledged by these charges with governance.	The Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan is updated regularly. The last update was August 2019.
5	The local authority has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.	The Council's Financial Procedure Rules and Procedures, the Codes of Conduct for Employees and Members and through employee contract conditions set out these requirements.
6	The risks of fraud and corruption are specially considered in the in the local authority overall risk management.	Fraud and Corruption risks are considered as part of the Audit and Counter Fraud Annual Needs Assessment. The potential high-risk

	CIPFA Checklist Item	Self-Assessment Comments
		areas of Fraud and Corruption are detailed in the Annual Governance Statement.
7	Counter Fraud Staff are consulted to fraud-proof new policies, strategies and initiatives across departments and this is reported upon to the Audit Committee.	The Head of Corporate Governance is asked for risk management comments on new policies and strategies prior to approval at Committee. The Audit and Counter Fraud Team undertake fraud proofing on policies/documents where applicable.
8	Successful cases of proven fraud/corruption are routinely publicised to raise awareness.	Fraud prosecutions have always been publicised by the Council. The Audit and Counter Fraud Team will continue to work with the Council's Communications Team following successful investigations.
9	The local authority has put in place arrangements to prevent and detect fraud and corruption and a mechanism for ensuring that this is effective and is reported to the Audit Committee.	Senior Managers are responsible for ensuring that there are adequate systems in place to prevent fraud and corruption. The Audit and Counter Fraud Team assess internal controls in place and the operation of these controls. The Audit and Counter Fraud Team report any identified areas regularly to the Audit Committee.
10	The local authority has put in place arrangements for monitoring compliance with standards of conduct across the local authority covering: Codes of conduct including behaviour for counter fraud, anti-bribery and corruption, register of interests and register of gifts and hospitality.	The Council's Officers' Code of Conduct includes Appendices, which set out the requirements relating to the Principles of Private Life (Nolan Principles), Whistleblowing, Hospitality and Gifts, Access to information and IT, Financial and Non-Financial interests and Criteria for Politically Restricted Posts.
11	The local authority undertakes recruitment vetting of staff prior to employment by risk assessing posts and undertaking the checks recommended in the CIPFA Fighting Fraud and Corruption Locally 2016-2019 to prevent potentially dishonest employees from being appointed.	Standard recruitment procedures around pre-employment checks are in place prior to staff being employed by the Council. These include taking up two references, DBS checks where appropriate, verification of qualifications, declaration of interests and right to work checks. A representative of the People Services (Human Resources) Team can be requested to sit in on the interview panel if required.

	CIPFA Checklist Item	Self-Assessment Comments
12	Members of staff are aware of the need to make appropriate disclosures of gifts, hospitality and business. This is checked by auditors and reported to Audit Committee.	<p>There is a process for Officers and Members to disclose of gifts, hospitality and other business activities.</p> <p>The equivalent process for officers is included in the Staff Code of Conduct.</p>
13	There is a programme of work to ensure a strong counter fraud culture across all departments and delivery agents led by Counter Fraud experts.	The Audit and Counter Fraud Team has a planned programme of work throughout the Directorates. These areas of risk are incorporated in the annual Fraud and Loss Risk Assessment and Audit and Counter Fraud Plan.
14	There is an independent whistle-blowing policy which is monitored for take-up and can show that suspicions have been acted upon without internal pressures.	A cross departmental team, including colleagues from Legal Services, People Services and the Audit and Counter Fraud Team have reviewed the Council's Whistleblowing Policy. At the time of writing this report (30 August 2019), it is planned to present the revised Draft Policy to Full Council later this year, for approval. It is also proposed that it is presented to the Audit Committee on 14 November 2019.
15	Contractors and third parties sign up to the whistle-blowing policy and there is evidence of this. There should be no discrimination against whistle-blowers.	A cross departmental team, including colleagues from Legal Services, People Services and the Audit and Counter Fraud Team have reviewed the Council's Whistleblowing Policy. At the time of writing this report (30 August 2019), it is planned to present the revised Draft Policy to Full Council later this year, for approval. It is also proposed that it is presented to the Audit Committee on 14 November 2019.
16	Fraud resources are accessed proportionality to the risk the local authority faces and are adequately resourced.	The Audit and Counter Fraud Team was structured based on current and emerging fraud risks. Resources appear adequate at the present time but will be reviewed on an ongoing basis.

	CIPFA Checklist Item	Self-Assessment Comments
17	There is an annual fraud plan which is agreed by the Audit Committee and reflects resources mapped to risks and arrangements for reporting outcomes. This plan covers all areas of local authority's business and includes activities undertaken by contractors and third parties or voluntary sector activities.	The annual Audit and Counter Fraud Plan is in place and approved by the Audit Committee. The plan is based on the annual Audit Needs Assessment and the Fraud and Loss Risk Assessment.
18	Statistics are kept and reported by the fraud team which covers all areas of activity and outcomes.	The Audit and Counter Fraud Team report performance on a monthly basis to the Director of Finance and regularly to the Audit Committee on a range of key deliverables.
19	Fraud Officers have unfettered access to premises and documents for the purposes of counter fraud investigations.	Counter Fraud Officers have access to premises and documentation for the purposes of counter fraud investigations through their links with Audit. The Counter Fraud Team has access to external information through the National Anti-Fraud Network (NAFN) and powers such as the Local Government Finance Act 1992(a).
20	There is a programme to publicise fraud and corruption cases internally and externally which is positive and endorsed by the Council's Communication Team.	Prosecutable cases are reported to the local media via the Council's Communication Team. Results of counter fraud activity are published regularly to members via the Audit Committee.
21	All allegations of fraud and corruption are risk assessed.	A Counter Fraud Risk Assessment is in place and is adopted for all allegations received based on financials.
22	The fraud and corruption response plan cover all areas of counter fraud work namely prevention, detection, investigation, sanctions and redress.	The Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan covers all areas of counter fraud work namely: Aims, Approach, Acknowledge, Prevent, Pursue.
23	The fraud response plan is linked to the audit plan and is communicated to senior managers and members.	Collaboration between the Audit and Counter Fraud Team and the Departmental Management Teams ensures appropriate risks are captured in the Fraud and Loss Risk Assessment, Audit and Counter Fraud Plan and the Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan.

	CIPFA Checklist Item	Self-Assessment Comments
24	Asset recovery and civil recovery is considered in all cases.	The Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan notes that prioritising fraud recovery is key. The use of civil penalties, civil proceedings, criminal proceedings are all reasonable measures to recover any losses from fraudulent activity.
25	There is a zero-tolerance approach to fraud and corruption which is always reported to the Audit Committee.	A zero-tolerance approach is specified in the Counter Fraud, Ant-Bribery and Counter Fraud Response Plan. Any identified incidences are reported to the Director of Finance, Head of Corporate Governance and Audit Committee. Cases are also publicised in the local press where applicable.
26	There is a programme of proactive counter fraud work which covers risk identified in assessment.	The Audit and Counter Fraud Team undertake proactive exercises with other Council service areas and other multi agencies e.g. Licensed Hackney Carriage / Private Hire Vehicle Checks.
27	The fraud team works jointly with other enforcement agencies and encourages a corporate approach and co-location of enforcement activity.	The Audit and Counter Fraud Team work jointly with other Council services such as Social Care, Licensing and Blue Badge. The team are the Single Point of Contact (SPOC) for Greater Manchester Police Organised Crime Operations and the Department for Work and Pensions for Housing Benefit Fraud. The team are also active members of the National Anti-Fraud Network, the Local Authority Investigation Officer Group as well as working closely with all Greater Manchester authorities meeting regularly to discuss emerging fraud risks and best practice.
28	The local authority shares data across its own departments and between other enforcement agencies.	The Audit and Counter Fraud Team has a working relationship with Greater Manchester Police and acts as the Single Point of Contact (SPOC) for Police Data Protection Requests. The team also acts as the SPOC for the Housing Benefit Investigations for the Department for Work and Pensions.
29	Prevention measures and projects are undertaken using data analytics where possible.	Data analytics techniques are used where applicable. The service uses the National Fraud Initiative to undertake ad hoc data analytics on its behalf.

	CIPFA Checklist Item	Self-Assessment Comments
30	The local authority actively takes part in the National Fraud Initiative (NFI) and promptly takes action arising from it.	The Council takes part in the National Fraud Initiative on a bi-annual basis. The Council also undertakes ad hoc data matching supplied by the Cabinet Officer, including Single Person Discount and Personal Budgets matches against the date of death data. The Assistant Manager - Counter Fraud is the key contact for the NFI and the Director of Finance is the Council's Senior Responsible Officer.
31	There are professionally trained and accredited staff for counter fraud work. If auditors undertake counter fraud work, they must be trained in this area.	The Counter Fraud Officers are Accredited Counter Fraud Specialists with the PINs (Professionalism in Security) qualification accredited by the University of Portsmouth. The team has also received additional training in Tenancy Fraud and Authorised Officer Powers.
32	The counter fraud team has adequate knowledge in all areas of the local authority or is trained in these areas.	The Counter Fraud Team has adequate knowledge in all areas of the local authority. The team works side by side with Audit colleagues who are able to provide advice and guidance when required.
33	The counter fraud team has access (through partnership/other local authorities/or funds to buy in) to specialist staff for surveillance, computer forensics, asset recover and financial investigations.	Any need to specialist resources would be considered on a case by case basis. Requests in this area are rare but may be required from time to time.
34	Weaknesses revealed by instances of proven fraud and corruption are scrutinised carefully and fed back to departments to fraud proof systems.	Fraud and Corruption weaknesses are identified as part of the Audit process and reported to the Head of Corporate Governance. Outcomes of Counter Fraud work are reported to the Head of Corporate Governance and consideration is given to undertake a review of the affected area.

Audit and Counter Fraud Team

Fraud and Loss Risk Assessment

March 2019

Version Control

<i>Version</i>	<i>Version Date</i>	<i>Revised by</i>	<i>Description</i>
1	April 2012	Andrew Bloor	New Report
2	March 2013	Andrew Bloor	Revised Report
3	April 2014	Andrew Bloor	Revised Report
4	April 2015	Andrew Bloor	Revised Report
5	March 2016	Andrew Bloor	Revised Report
6	March 2017	Andrew Bloor	Revised Report
7	April 2018	Andrew Bloor	Revised Report
8	March 2019	Andrew Bloor	Revised Report

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Grant Fraud/Misuse	<p>False information to secure grant funding – External parties provide false or inaccurate information in order to qualify for grants/loans for which they are not entitled to or will use for other purposes.</p> <p>Grant Collusion – An applicant colludes with a member of staff in order to obtain a grant to which they are not entitled to for personal use.</p> <p>Failure to use Grant for intended purpose – Applicant deliberately use the grant provided for purposes other than that for which it was intended.</p> <p>Council misuse of ring-fenced grants – Ring-fenced grants not used for the purpose they were intended.</p>	<p>Internal Audit to undertake a full review of the Grant Audit programme to update potential risks and give assurance on individual grant applications.</p> <p>Undertake investigations/reviews into referrals received from Whistleblowers/ the Council's Senior Management Team</p>

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Bribery	<p>Corporate Bribery – The Council fails to take appropriate steps to prevent bribery and is held accountable by law which can be punishable by prison sentence.</p> <p>Bribery – Officers/Members accepting bribes to act improperly in order to influence council policy, procurements, processes or procedures for the benefit of themselves or another.</p>	Internal Audit to undertake a review of compliance with ISO 37001 to provide assurance to Senior Management
Blue Badge Fraud	<p>Application – False or exaggerated information submitted in order to secure a blue badge parking permit.</p> <p>Inappropriate Usage – The use of a blue badge by those not entitled to use them and without the company of the badge holder.</p> <p>Deceased Usage – Blue badges are used or sold on after the badge holder has deceased.</p> <p>Fake or Amended – Blue badges in use are fake or have been amended (i.e. dates) in order to abuse the system.</p>	<p>Biannual Cabinet Office (National Fraud Initiative) data match against the DWP Mortality Register.</p> <p>Reacting to referrals from Whistleblowers, Council Officials and NSL Parking Services.</p> <p>Undertake a series of proactive drives with key stakeholders.</p>
Money Laundering	Money Laundering – The Council and its cash handling arrangements are abused by a third party wishing to launder money. This can include the payment of accounts in cash and then requesting a repayment because accounts have been overpaid.	<p>Annual review of the Money Laundering Policy.</p> <p>Undertake investigation as directed by the Money Laundering Officer</p>

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<p>Council Tax Reduction/Council Tax/Discounts Fraud/Misuse</p>	<p>Failure to report a change in circumstances – Failure to report a change in circumstance that could result in increased/continued discounts to individuals.</p> <p>Fail to register for Council Tax – Failure to register a property that should be subject to Council Tax.</p> <p>Exemptions/Discounts – Fraudulently providing incorrect information in order to gain a reduction in Council Tax (e.g. Single Person Discount).</p> <p>No Recourse to Public Funds – Customers using false documentation to obtain benefits and discounts.</p>	<p>Cabinet Office (National Fraud Initiative), Real Time Information and Housing Benefit Matching Series – Series of data matching against numerous data sets.</p> <p>Fundamental Financial Systems Audit by Internal Audit</p> <p>Counter Fraud Team to undertake Investigations on a risk-based approach.</p> <p>Assist colleagues in the fraud proofing of Council Tax documentation issued by the Council.</p> <p>Undertake a series of proactive drives with key stakeholders and work on operations with Multi Agencies.</p>

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Housing Benefit Fraud	<p>Failure to report a change in circumstances – Failure to report a change in circumstance that could result in increased/continued discounts to individuals.</p> <p>False Representation – Providing incorrect information in order to claim benefits.</p> <p>No Recourse to Public Funds – Customers using false documentation to obtain benefits and discounts.</p>	<p>Cabinet Office (National Fraud Initiative), Real Time Indicators and Housing Benefit Matching Service – Series of data matching against numerous data sets.</p> <p>Fundamental Financial Systems Audit by Internal Audit</p> <p>Counter Fraud Team to undertake investigations on a risk-based approach</p> <p>Assist colleagues in the fraud proofing of Housing Benefit documentation issued by the Council</p> <p>Draft a Memo of Understanding with the Department for Work and Pensions to assist in the investigation of Housing Benefit fraud</p> <p>Undertake a series of proactive drives with key stakeholders and work on operations with Multi Agencies.</p>

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NDR Fraud	<p>Failure to report a change in circumstances – Failure to report a change in circumstance that could result in increased/continued discounts to individuals.</p> <p>Failure to Register for Business Rates – Failing to register a property for business rates payments.</p> <p>False or inaccurate claims for discounts or exemption – providing false or inaccurate information to qualify for reductions for which they are not entitled to.</p> <p>Insolvency – Businesses going to into liquidation only to set up again under a different name in order to avoid NDR liability.</p> <p>Avoidance – Avoidance of empty NDR through periods of artificial/contrived occupation (Inc. Charities).</p>	<p>Fundamental Financial Systems Audit by Internal Audit.</p> <p>Review the feasibility of working with colleagues in the Greater Manchester region via the Audit Fraud Sub Group.</p> <p>Counter Fraud Team to undertake investigation on a risk-based approach</p> <p>Commence Pilot Exercise with other GM Authorities via the Cabinet Officer (National Fraud Initiative).</p>
Bank Mandate	Mandate Fraud – External parties target the Council by pretending to be from a legitimate supplier and attempt to change bank account details in order to remove funds to their own bank account.	<p>Fundamental Financial Systems Audit by Internal Audit.</p> <p>Bank Mandate Fraud alerts received from the National Anti-Fraud Network and Barclays Bank Security will be forwarded to key stakeholder within the Council</p>

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<p>Procurement Fraud</p>	<p>Inflated Invoices – External parties inflate invoices in order to receive additional funds or charge VAT for services when they are not VAT registered.</p> <p>Duplicate Invoices – External parties submit multiple invoices for payment.</p> <p>Payment to fictitious suppliers – Staff request set up of a fictitious supplier in order to obtain funds.</p> <p>Conflict of interest – Employees fail to declare conflict of interest or gifts to award contracts to related companies for their own benefit.</p> <p>Contract splitting to avoid tender threshold – Split of contracts into smaller amounts to avoid thresholds.</p>	<p>Contract Procedure Rules.</p> <p>Channel as much procurement activity as possible through “The Chest” procurement system as estimates suggest that nearly 40% of all fraud committed against Local Authorities concerns abuse of the procurement cycle.</p> <p>Cabinet Office (National Fraud Initiative) data match reviewing Duplicate Payments, Duplicate Suppliers and Incorrect VAT payments.</p> <p>Fundamental Financial Systems Audit by Internal Audit.</p>

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<p>Sale of Land</p>	<p>Conflict of Interest – Employees fail to declare conflict of interest or gifts to award sales of land to related companies for their own benefit</p> <p>Lack of Formal Bidding Opening Process -</p> <ul style="list-style-type: none"> • Bids are not received by an independent service in the Council, exposing the Council to the risk that they are amended and/or known to Council staff and communicated to other bidders. • Bids received later than the deadline exposing the Council to the risk that the value of received bids are communicated to other parties/bidders. <p>Inflated Bids – External parties inflate bids in order to receive an advantage around other commercial opportunities led by the Council.</p>	<p>Land and Property Protocols.</p> <p>Channel as much of the process to open bids to Legal Services</p> <p>Cabinet Office (National Fraud Initiative) data match reviewing Duplicate Payments, Duplicate Suppliers and Incorrect VAT payments.</p> <p>Audit review of land sales, including compliance to the Land and Property Protocols.</p> <p>Training and Awareness to service colleagues.</p>

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Social Care Fraud	<p>Inaccurate or Incomplete financial information and hidden assets - false or inaccurate information in order to qualify for support towards care costs and residential homecare.</p> <p>Direct Payment Misuse – payments are misused by social care clients or those responsible for their finances.</p> <p>Financial Misuse – Personal Assistants and/or Family Members claiming money for time they had not worked or were spending the allocated budget inappropriately.</p>	<p>Direct Payments (DP) Audit Function will review 100% of Adult and Children’s Direct Payments on an annual basis.</p> <p>Implementation of the Adult Social Care and Counter Fraud Protocol</p> <p>Counter Fraud Team to undertake investigations on a risk based approached.</p> <p>Introduction of Fraud/Finance training for Social Care Staff</p> <p>Assist colleagues in the fraud proofing of Social Care documentation issued by the Council</p> <p>Fundamental Financial Systems Audit by Internal Audit</p>
Insurance Fraud	<p>False claim for slips and trips – Individuals or groups submit claims for compensation that did not occur or are exaggerated.</p> <p>Collusion with Accident Management Companies – Employees collude with management companies to exploit know weaknesses on roads.</p>	<p>Dedicated Risk and Insurance function.</p> <p>Cabinet Office (National Fraud Initiative) – Insurance claimants details matched to identify potential serial claimants between and within local authorities</p>

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Educational Fraud	<p>Placement Fraud – Families provide false information about their families and residency information in order to ensure that they get into the chosen school.</p> <p>Ghost Students/Nursery Placing – Schools and Nurseries submit inflated pupil numbers in order to artificially inflate budgets.</p> <p>Schools – Potential lack of regular scrutiny by Senior Management and Governors may lead to the poor practice with regard to the financial administration of schools.</p>	<p>Undertake a full review of the Schools and Nursery Audit programme.</p> <p>The Team collaborates with the Schools Finance Team and there is review of Financial Management Standards in Schools.</p> <p>Counter Fraud Team to undertake investigations on a risk-based approach.</p>
Housing Fraud	<p>Subletting – Properties are illegally sublet by tenants for personal gain.</p> <p>False Succession – Succession of tenancies by persons not entitled to the property.</p> <p>False Information – Information provided by applicants when applying for social housing in order to qualify for housing that they may not be entitled to.</p> <p>Right to Buy – Individuals submit false information in order to purchase a council property or receive a right to buy discount to which they are not entitled to.</p>	<p>The Council operates two contracts with third parties as part of the Private Finance Initiative (PFI).. The Audit and Counter Team review potential risks associated with third parties as part of its annual planning and risk assessment process.</p> <p>Undertake a follow up review on the controls in place in relation to the allocation of properties by the Council.</p> <p>Review process with Legal Services in relation to “Right to Buy” cases and undertake investigations where applicable.</p> <p>Cabinet Office (National Fraud Initiative) – Housing tenant details matched to identify potential duplicate tenants between and with the local authority.</p>

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Car Parking Fraud	<p>Concessionary Parking Permits – The abuse of residential parking permits for personal gain.</p> <p>Pop Up Car Park – emerging fraud risk of unauthorised use of council land to charge car parking and illegal clamping fees.</p>	<p>Undertake investigation into abuse of residential parking permits</p> <p>National Fraud Initiative – Residential Parking permits data matched to identify potential duplicate permits between and with the local authority.</p>
Right to Work	Right to Work – False identity/right to work documentation in obtain council services or employment.	Cabinet Office (National Fraud Initiative) data match reviewing Immigration data against Housing Benefit, Council Tax, Payroll and Licensing data sets.
Cash Handling	Theft of Cash – Employees/Third parties dishonestly take monies with the intent to deprive the council.	<p>Roll out Internal Audit Self-Assessment Reviews for services dealing with cash collection.</p> <p>Rolling programme of Fundamental Financial Systems Audits by Internal Audit.</p> <p>Undertake referrals received by the Counter Fraud Team whilst working with colleagues in Human Resources including the use of CCTV where appropriate.</p> <p>Provision of training for all new staff members on Financial Procedures Rules and refresher training where necessary for existing staff.</p>

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Fraud Awareness Training	Fraud Awareness Programme – Counter Fraud Training to be delivered to the appropriate staff within the Council highlighting service risks.	Roll out Fraud Awareness Training via the MeLearning Platform. Liaise with Communications Team to get the fraud awareness message out into the local authority satellite offices and schools via the Council's Team Brief.
Cyber Fraud	<p>External hosted systems – unauthorised access to council systems in order to obtain personal data/ commercially sensitive data.</p> <p>Vishing – the use of telephone systems by external parties to obtain personal or sensitive information that can be used for identity theft.</p> <p>Phising – personal information accessed by a cyber-attack for personal gain.</p> <p>Smishing – the use of SMS by external parties to obtain personal or sensitive information that can be used for identity theft.</p> <p>Malware – the introduction of malicious software via spam emails and pop up websites.</p> <p>Electronic Data theft – theft of electronic data by electronic means (i.e. key loggers).</p>	Use of the service arrangement in place with the Salford Internal Audit team for the provision of IT Audit Services. Review of controls in place within the Information Governance Team and ICT service.

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HR/Payroll Fraud	<p>Falsification – Falsification of expenses, overtime, additional hours, flexitime etc.....</p> <p>False sickness absences – working for another employer whilst on sick leave</p> <p>Ghost Employees – the creation of false employees in an attempt to exploit monies for the council</p> <p>False documentations – False identity documents, references, qualifications, right to work etc... in order to obtain employment i.e. employment vetting</p> <p>Agency/Contractor – False or exaggerated payments for agency workers by the individual or by collusion with their line manager.</p> <p>Failure to declare something of relevance – i.e. conflict of interest, criminal convictions etc.</p>	<p>Cabinet Officer (National Fraud Initiative) data match reviewing Immigration data against payroll data.</p> <p>Fundamental Financial Systems Audit by Internal Audit.</p> <p>Counter Fraud Team to undertake investigations on a risk-based approach.</p>
Internal/External Data Matching	<p>False information – information by customers provided in order to defraud the local authority of monies i.e. benefits, social care, housing etc.</p>	<p>High risk data sets are updated on regular basis allowing further ad hoc data matching from the Cabinet Officer.</p> <p>Review the feasibility of data matching against a host of data sets throughout the AGMA region (Audit Fraud Sub Group) and GMFIG (Greater Manchester Fraud Investigation Group) to reduce the risk of fraud and loss entering the system.</p>

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Policies and Procedures	Counter Fraud Strategies - The Council has a series of fraud strategies designed to reduce the risk of fraud i.e. Whistleblowing Policy, Anti-Fraud and Corruption Strategy, Prosecution Policies etc...	Annual review of the policies and procedures in order to keep up to date with emerging fraud risk and case law.